



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor


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May 17, 1996

TO: Minerals File

FROM: Tom Munson, Reclamation Hydrologist 

RE: Site Inspection, Indian Queen Marble, LLC., Ute & Wino Mine, S/001/019, Beaver County, Utah

Date of Inspection: April 11, 1996 and April 23, 1996
Conditions: Sunny, clear
Participants: Bill Denney, Contractor; Tom Munson, and Lynn Kunzler, DOGM

Purpose of Inspection: To examine status of site.

The April 11, 1996, I met with Bill Denney, who is the contractor for the site. I looked at the upper pad where Mr. Jeff Sagers had done some minor regrading. Nothing had been completed that had been anticipated in previous discussions with Mr. Sagers. In conversations with Mr. Sagers, he stated that the equipment that was on site had problems and he had been unable to finalize the reclamation as we had agreed and talked about in previous inspections.

The next inspection on April 23, 1996, Lynn Kunzler of the Division accompanied me. We again met with Bill Denney, who had done quite a bit more reclamation work on the upper pad than Mr. Sagers had completed. He had established drainages and appeared to do a better job. It appeared Mr. Denney had more knowledge of what needed to be done.

During this visit we observed the quarry on the lower pad had been expanded and new area was being disturbed. We told Mr. Denney that we would get in touch with Mr. Gary Applegate, the owner of the mine, and would possibly have to permit the site as a large mining operation. Bill stated that he would need instructions from Mr. Applegate in regards to reclamation. I told him that I would talk to Mr. Applegate and request that he have Mr. Denney complete the reclamation, as Mr. Sagers was no longer available. Mr. Sagers has moved out of Milford and his phone has been disconnected.

In subsequent phone calls to Mr. Applegate, it was agreed that the site would be permitted as a large mining operation and a temporary bond would be posted. On May 9, 1996, a certified letter was sent to Mr. Applegate confirming the phone conversation. The letter stated that by May 24, 1996, Mr. Applegate was to forward a letter to the Division explaining the short and long term intentions for his mining operation.

jb
cc: Gary Applegate, Indian Queen LLC
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